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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

3 December 1981

Mr. Brian V. Kinney
Chief, Declassification and
Historical Research Branch
Records Management Division
Washington Headquarters Services
Room 1D517, Pentagon
Washington, D.C. 20301

Dear Mr. Kinney:

This is in response to your memorandum of 12 November 1981, wherein you forwarded to us three documents for our systematic classification review. We have reviewed the documents and our determinations are as follows:

1. Report ORE 27-48, dated 3 November 1948, Subject: Possible Developments in China. This document has been declassified.
2. Memo IM-100, dated 15 December 1948, Subject: Consequences of Expediting US Military Aid to China. This document has been declassified.
3. Memo IM-312, dated 26 July 1950, Subject: Prospects for an Early Successful Chinese Communist Attack on Taiwan. This document has been downgraded to CONFIDENTIAL and the next review should be performed by us in 1991. Section 1-301(d) of Executive Order 12065 regarding foreign relations of the U.S., is cited for its continued protection.

We have marked the documents with our classification actions and return them to you herewith as requested.

Sincerely,



Chief, Classification Review Division
Office of Information Services
Directorate of Administration

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Enclosures (3)

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U.S. Policy
China

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3 November 1948

CENTRAL INTELLIGENCE AGENCY
ORE 27-48

POSSIBLE DEVELOPMENTS IN CHINA

SUMMARY

1. The disappearance of the Chinese National Government, as presently constituted, may well occur within the next few months.
2. It is improbable that the existing regime can rally to stabilize the situation on a new line in Central China.
3. Even if the National Government as presently constituted continues to exist, the Communists may be expected to win control of all China north of the Yangtze and east of the Yellow River bend, while non-Communist China may be expected to disintegrate into quasi-independent regional holdings, the actual authority of the National Government being progressively restricted to the immediate environs of its place of refuge.
4. It is probable that, soon or late, before the completion of the process indicated above, Chiang Kai-shek will be displaced by a cabal including Li Tsung-jen, who would succeed him as head of the National Government, such as it was. Such a coup, however, would probably hasten the disintegration of non-Communist China.

Note: This report is in process of coordination with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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5. It is probable that eventually the civil war will be ended by the formation of a new government based on a coalition of Communists and non-Communist elements, by which means the Communists would seek to pacify the remaining areas of resistance and to consolidate their control of China. Such a coalition would be furthered by Kuomintang resentment of a default (in their view) of US support and would result in a general intensification of anti-foreignism in China.
6. Although the Communists would dominate any national government based on such a coalition, the consolidation of their political control over China would by no means be assured. They, in their turn, may well prove to be incapable of solving the political and economic problems which the Kuomintang has failed to solve. It is also possible that, when the issue of subservience to Moscow has become more immediate than that of "US imperialism", Chinese nationalism will prove stronger than international Communism.

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POSSIBLE DEVELOPMENTS IN CHINA

I. The Present Situation.

For a year and a half the military, economic, and political position of the Chinese National Government has been progressively deteriorating. Repeatedly it has been predicted that this trend, if not arrested, must lead eventually to a disintegration of the regime. Recent developments indicate that the catastrophe is rapidly approaching.

The National Government, overextended in its military commitments, exclusive in its attitude toward more dynamic political forces in non-Communist China, largely incompetent and corrupt, has proved incapable of dealing with either the economic and social problems of China or the Communist military insurrection and has forfeited public confidence. Recent military disasters, for which Chiang Kai-shek must bear a large measure of personal responsibility, have been marked by defections of Government troops and have resulted in the annihilation of a large proportion of the Government's effective military strength. The shock of these events has precipitated an already impending financial collapse. It is unlikely that the present national leadership can overcome the resultant demoralization and arouse a new spirit of national resistance to Communism.

Even in these circumstances, however, it would be uncharacteristic of the present regime either to give up the struggle against Communism or to make way for alternative national leadership. The regime may be expected to continue to resist, with such support as it can command, until forcibly superseded, or until finally overborne.

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2. The Possibility of Stabilization on a New Line.

Inasmuch as the adverse trend of the civil war is in some part a consequence of overextension of the National Government's military commitments, the possibility of a stabilization of the situation on a new line in Central China requires consideration. Such stabilization might well have been accomplished at an earlier stage in the civil war. It might still have been accomplished had substantial forces been successfully withdrawn from exposed positions before the recent debacles and had they been promptly and well supplied with required matériel. It is inconceivable in present circumstances.

3. Continuation of the Existing Regime and Trend.

Even if the National Government as presently constituted continues to exist, a continuation of the present trend in the civil war, at an accelerating pace, is probable. The Communists will rapidly extend their control over all China north of the Yangtze and east of the Yellow River bend. As the prestige and power of the National Government decline under continuing defeat and financial collapse, provincial authorities in southern and western China will assume increasing degrees of independence, whether or not they publicly repudiate the authority of Chiang Kai-shek. Eventually the authority of the National Government will become purely nominal and limited in practical effect to the immediate environs of its place of refuge.

4. The Displacement of Chiang Kai-shek.

Soon or late, it is probable that before the process indicated above has run its course Chiang Kai-shek will be displaced by a cabal within the National Government in such manner as to afford a change in leadership

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without an ostensible break in the continuity of the regime. Inasmuch as Chiang is unlikely to retire voluntarily, this change could be accomplished only by his death or forced resignation. Such a coup could probably be accomplished only by a combination including the Vice President, Li Tsung-jen, with Li succeeding constitutionally to the presidency. Although the ostensible purpose of the coup would be to bring about a more vigorous leadership, its actual effect would probably be to hasten the disintegration of non-Communist China.

5. Coalition with the Communists

It is probable that eventually the civil war will be ended by the formation of a new government based on a coalition of the Communists and non-Communist elements. A psychological basis for such a coalition already exists in the deep yearning of China for respite from war. A common ground could be developed by turning internal antagonisms outward against foreign (US) "imperialism", to which all the evils of the civil war would be attributed. Communist propaganda already exploits this theme. It could find a response in Kuomintang elements which, having an anti-foreign history of their own and resenting a default (in their view) of US support, were eventually driven by circumstance into coalition with the Communists.

With the present and prospective trend of the civil war in their favor, the Communists probably desire a continuation of hostilities until they reach a point of diminishing returns in proportion to effort expended. At that point they would seek to exploit coalition as a means of pacifying the remaining areas and of resistance/consolidating their control of all China. Meanwhile they have not neglected political preparation for coalition, accentuating the themes of peace and anti-imperialism, assuming a conciliatory attitude toward all "democratic" elements (such as the Democratic League), and even preparing such non-Communist

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figures as Marshal Li Chi-sen for window dressing.

To be effective in ending the civil war, however, a coalition must include the significant remnants of the present National Government. As long as Chiang Kai-shek remains in power no such coalition is possible. Even with Chiang displaced, Li Tsung-jen probably could not immediately enter into coalition with the Communists. Eventually, however, he or his successors might well do so, as might various quasi-independent local authorities.

6. Prospects for Consolidation of Communist Control.

Although the Communists would dominate any eventual coalition, the consolidation of their political control over all China would by no means be assured. The coalition would unquestionably be the familiar device for the accomplishment of that purpose, but the situation in China would be radically different from that in a Soviet-occupied East European state.

Hitherto the Chinese Communists have been spared the problems which would confront a national government under their control: the maintenance of political order on a national scale and management of a national economy. Their successes have been limited to the political organization and economic management of rural areas at a primitive level of self-sufficiency, and to the conduct of an essentially disruptive type of warfare. Their competence to deal, in their turn, with the larger problems which Chiang Kai-shek has failed to solve remains unproved. Inevitably they would have to enlist the services of elements in Chinese society which are essentially anti-Communist. There is at least a possibility that the Chinese Communist Party may repeat the historical experience of the once-revolutionary Kuomintang.

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Related to this consideration is the utter dependence of the urban economy of China on overseas trade. For all their anti-imperialism, the Communists cannot cope with the pressing economic problems of China in a state of isolation from the West.

For their present purposes the Chinese Communists are sowing anti-imperialism (Chinese nationalism). They may well reap a whirlwind when the issue of subservience to Moscow becomes more immediate than that of "US imperialism."

The issue of subservience to Moscow may indeed have divisive effects within the Chinese Communist Party itself. Although the Chinese Communists are indubitably Communists, their potential independence of the Kremlin is greater than that of Tito and, except for him, unique. The greater the success of the Chinese Communists, the greater will be the Kremlin's disposition to interfere in China in order to assure "internationalist" control and the greater will be the difficulty of reconciling this interference with Chinese nationalism and anti-imperialism. In the end, Chinese nationalism may well prove stronger than international Communism.

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NSC 22 Series
Possible courses of
action for US w/ris to
situation in China

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CENTRAL INTELLIGENCE AGENCY

15 December 1948

CONSEQUENCES OF EXPEDITING US MILITARY AID TO CHINA

SUMMARY

The Chinese Communists are winning the civil war, the outcome of which is no longer in doubt. Nationalist resistance, directed from a central headquarters, will probably cease within three months. This trend could not now be significantly altered even by expediting the delivery of US military aid to the Chinese National Government.

Expedited military aid could serve only to delay the extension of Communist control to any particular area of littoral China. The inefficiency of the Nationalist Army would in turn negate the effect of that aid. In any event, no considerable body of trained troops, willing to fight the Communists will continue to be available to use the aid.

To the extent that expedited military aid would prolong civil warfare, such aid would have a weakening rather than strengthening effect on Nationalist economy.

Intensive US effort to continue support of a discredited regime and prolong the civil war would increase antagonism toward the US in China, would make more difficult the US position vis-à-vis a successor Communist-controlled government, and would probably damage US prestige in other Asiatic countries in which there is still opportunity for successful anti-Communist effort.

Note: This estimate has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force. It is based on information available to CIA as of 14 December 1948.

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CONSEQUENCES OF EXPEDITING US MILITARY AID TO CHINA

It is assumed that the China Aid Act was conceived as an instrument to impede the advance of Communism in China. It has not been, and offers no prospect of being, successful in achieving this objective. The trend would not be significantly altered at this stage even by expediting the delivery of US military aid.

Current Situation.

The National Government under Chiang Kai-shek is discredited in the eyes of its own people; Chiang's armies have all but lost the civil war. The outcome of that conflict is no longer in doubt; in fact, all major campaigns, for more than a year, have ended in the defeat of Chiang's armies, and at present the only remaining enclave of significant Nationalist military resistance is in the Peiping-Tientsin area of North China. The Communists have, in addition to the preponderance of strength in this area, a large, well-trained and well-equipped reserve in adjacent Manchuria. The Communists are presently moving against the North China Nationalist forces, and the latter's chances for continued survival appear dim. The Nationalist forces in Central China are being rendered impotent, and only minor bodies of resistance, plus the Communists' own battle weariness, limit the speed with which the Communists can occupy the lower Yangtze valley.

Those areas of China still in the hands of the Nationalists are largely in a state of economic hysteria and paralysis, with most major cities deprived of an adequate supply of foodstuffs, with internal communications extensively disrupted by the Communists, and coastal trade limited by the lack of shipping facilities. The unit of currency has steadily lost value, and even the limited reserve of specie available to the Nationalists is being rapidly drained by public sale. Nationalist China, in fact, no longer possesses an economic framework within which US aid can be effective.

Nationalist military resistance, directed from a central headquarters, will probably cease within three months. During this period, the Government can either: (1) submit to the realities of the situation and attempt to secure the best terms possible in a coalition arrangement with the Communists, or (2) attempt, by moving to some other area of China, to continue its

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anti-Communist effort, relying almost exclusively on the US for sustenance. In the first case, a Communist-dominated coalition will result. In the second that part of the National Government which escapes will not possess sufficient resources to offer significant resistance to the Communists for long. Such a government would at best be little more than regional in character, and, as such, would sooner or later be absorbed by the Communists along with any other regional regimes which emerge in peripheral areas of China.

Military Effects.

In the light of the foregoing it is apparent that US military aid, as envisaged in the China Aid Act, can have only a limited effect on the course of the civil war, even if expedited in such a way as to reach, within the next three months, those Nationalist troops remaining in the field against the Communists. If this aid were funnelled into a particular area of littoral China (such as the Canton region), it could serve only to delay the extension of Communist control to that area. The program, to have even this limited effect, would have to be continued indefinitely and increased whenever the area was threatened by Communist military advance.

Under any timing of the program, the major requirements of the Nationalist military are small arms and ammunition; Air Force matériel does not yield sufficient return for the expense and difficulty involved. Even so, the demonstrated gross inefficiency of the Nationalist Army would in time negate even the effect of small arms and ammunition, especially if the Nationalist Army were expected to digest this matériel in a short space of time. In any event, no considerable body of trained troops, willing to fight the Communists, will continue to be available to use the aid.

The funneling of US aid to Taiwan (Formosa) or South China, no matter on what schedule, would serve chiefly to maintain the legal fiction that there is in China a government still resisting the Communists. Such a government would in fact be incapable, even with that aid, of so doing over a significant period of time.

Economic Effects.

To the extent that expedited military aid would prolong the civil hostilities without affecting the final outcome, such aid would have a weakening rather than strengthening effect on Nationalist economy. Continued warfare has been a principal cause of economic stagnation and uncertainty in Nationalist

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China. Recent superficial evidences of stability in Nationalist cities are a direct reflection of peace rumors; any indication that fighting will be continued for the indefinite future would certainly be followed by another inflationary spurt. This in turn would produce increased popular disaffection if not outright sabotage of the Nationalist cause.

Political Effects.

The political effects of expediting US aid to the Nationalists might be positively harmful to US interests. The people of China will not be grateful to the US for prolonging the war, and can be expected to react in a hostile manner particularly if the US expedites the delivery of military aircraft, which, according to Nationalist practice, would be employed in the indiscriminate (and militarily useless) bombing of Communist-held cities. Intensive US effort to continue support of a discredited regime would increase antagonism toward the US among almost all Chinese groups which will survive the civil war in positions of authority. In addition, the US position vis-à-vis a successor (Communist-controlled) government would be made much more difficult. Most important, if the US becomes associated in Oriental eyes with Nationalist remnants which are unable to maintain genuine authority over any large area of China, the US will lose prestige in the other countries of Asia in which there is still opportunity for a successful anti-Communist effort.

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*Strategic
Importance of
Formosa*

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CENTRAL INTELLIGENCE AGENCY

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26 July 1950

INTELLIGENCE MEMORANDUM NO. 312

SUBJECT: Prospects for an Early Successful Chinese Communist
Attack on Taiwan

CONCLUSIONS

Barring effective opposition by US naval units, Chinese Communist forces are capable of securing an initial lodgment of 75,000 fully equipped troops on Taiwan and within two or three weeks establishing control over the entire island. They may well launch an early assault despite the presence of US naval units in Taiwan waters, relying for success on many widely dispersed landings of miscellaneous craft along with a limited number of landings by forces lifted in larger and faster vessels. Establishment of a Communist foothold in this way, aided by sabotage, subversion, and probably by key Nationalist desertions would be likely to set off an epidemic of defections among Nationalist troops and the rapid crumbling of all major Nationalist resistance.

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Note: This paper has been prepared after consultation with members of the IAC Agencies - OIR, ID, ORE, and AF Intelligence - at the working level. The views expressed by the individuals consulted have been taken into consideration in arriving at this estimate which, however, does not constitute the official opinion of the IAC Agencies.

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Attch 3

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1. Concept of a Chinese Communist Assault on Taiwan.

A Chinese Communist assault on Taiwan probably would entail the assembly of a comparatively small force of highly-trained and well-armed commando type troops, embarking in modern high-powered landing craft and assigned the mission of securing one or more initial beachheads on the coast of Taiwan. The main body of Communist attacking forces would follow the initial assault echelons and would be embarked in other than standard assault craft from many areas in addition to those on the coast of Fukien immediately opposite Taiwan. Conceivably upwards of a hundred embarkation points from Swatow to Hangchow Bay, wherein concentrations of several thousand junks have been reported, might be utilized. A conventional motor-powered water-lift with other available motor-powered craft may well be launched from the Shanghai-Hangchow Bay area. Numerous usable landing beaches are available all along the west coast of Taiwan. In addition, a well-trained although relatively small group of saboteurs, previously landed on Taiwan, may be utilized. A short time before H-hour such a group would be expected to contribute considerably to the neutralization of key Nationalist air, and naval bases, and to the destruction of tunnels and bridges along the coastal line of communications.

The operation would be planned to take advantage of key defections among the defenders and sabotage of key defense installations and communications at critical times. Heavy troop losses would be acceptable. Other factors aside, amphibious limitations would tend to advance rather than retard the Communist timetable for at least two reasons: first, because of their dependence on small craft the Communists would desire to mount the invasion during the few weeks remaining before the typhoon season; and second, because of limited naval and air support at their disposal, the Communists would wish to mount the operation before the US fleet in the Taiwan area had been too greatly augmented.

2. Communist Capabilities.

a. Ground Forces. The Communist army has a strength of approximately 3,780,000 troops of which 1,710,000 are regulars. At present, there are probably some 355,000 troops of the Third Field Army under General CHEN Yi

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along the Chekiang-Pakien coast. A considerable number of these forces were to be used for an assault on the Nationalist Choushan Island bases and therefore are presumably equipped and trained for amphibious operations. In addition, there are at least 400,000 troops of LIN Piao's Fourth Field Army available for support of the Taiwan operation. An appreciable number of these 755,000 troops have had amphibious training, and about 10 percent have had actual experience in amphibious warfare in such operations as the successful Chinese Communist assault against Hainan. These forces now are believed to be moving into positions from which they could participate in an operation against Taiwan, staging from the Hankow-Hangyang area.

b. Waterlift. The Chinese Communist forces are believed capable of an initial waterlift of at least 200,000 to 250,000 fully armed troops. During the past year the Communists have been building and collecting seagoing junks, including some motor-powered junks. They now have available, along the coast of Shanghai to Swatow, upward of 5,000 seagoing junks and towable craft. Assuming a junk speed of advance of 4 to 5 knots, it would take 16 to 20 hours to cross the narrowest part of the strait; 24 to 30 hours to cross the northern end of the strait; and 32 to 40 hours to cross the southern end of the strait. The Communists also possess about 75 landing craft and coastal ships of various types, numerous barges and tugs and about 110 ex-UNRRA fishing trawlers. A large number of these vessels are located in the Shanghai-Hangchow Bay area. This waterlift potential, exclusive of junks, is believed sufficient for lifting a force of from 60,000 to 80,000 fully armed soldiers.

c. Naval Support. The actual combat escort capabilities known to be available to the Communists are derived from 20 combat vessels of which the largest are 5 patrol frigates (ex-Japanese destroyer escorts). Some of these may be inoperable. In addition, the USSR is known to have obtained 34 former Japanese naval vessels of which at least eight are of the patrol frigate class. Any of these might easily be made available to the Chinese Communists for a Taiwan operation without involving Soviet fleet units.

d. Air Support. The Chinese Communists are now believed to possess at least 200 to 250 operational combat aircraft and may have an additional 100. Although the Chinese Communist air force has not been observed in tactical operations, reports of training activities in Manchuria, received since 1947, indicate a long, although probably slow, development of a Communist air arm. During the past 90 days there has been a considerable increase in Communist air activity. The Chinese Communist air force consists of approximately 6,500 personnel of which 300 to 400 are pilots and 1,000 are non-pilot trained air crew personnel.

The Communists are believed to possess fighter, ground attack, and light bomber aircraft. At least 200 of their operational combat aircraft have apparently been provided by the USSR from surplus stocks in the Far East. The USSR probably has sufficient surplus aircraft in the Far East

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to augment considerably the aircraft the Chinese Communists are now estimated to have. The basic weakness of the Chinese Communist air force has been lack of maintenance facilities and trained personnel. The extent to which maintenance weakness may have been overcome by the influx of Soviet advisers and ground personnel during the past few months is not known. 25X1

Known locations of air fields along the "invasion coast," suitable for conventional fighter aircraft include facilities at Swatow, Amoy, Poochow, Wenchow, and Ningpo, as well as in the Hangchow Bay area.

e. Soviet Assistance. Soviet assistance to an early Chinese Communist invasion of Taiwan would consist principally of the maintenance, supply, and operational direction of the aircraft believed to be in the hands of the Chinese Communists. With such assistance, the Chinese Communists might be able to fly an average of 300 sorties per day over a 3-day period if not opposed in the air. If further aid appeared necessary for the completion of the mission of the Chinese Communist air force, the USSR would probably provide additional support for a limited period. To a lesser degree, naval logistical and advisory support would be furnished if necessary. Over and above the training assistance already provided, the USSR would probably confine its participation in ground force operations to liaison and advisory functions.

It is known that there is at present one jet fighter unit of 30 to 40 aircraft located in the Shanghai area. This unit, however, is not believed to be part of the Chinese Communist air force but rather an independent unit of the Soviet Far Eastern Air Force, in the area primarily for psychological reasons. It is not believed that Soviet pilots or units, as such, will engage in combat operations against Taiwan.

f. Subversion and Sabotage on Taiwan. Communist infiltration and subversion activities have been in progress on Taiwan for at least twelve months and will continue. Despite Nationalist counter-measures which have resulted in the rounding up of hundreds of defectors and Communist agents in recent months, the Chinese Communists are still believed to be capable of effecting sabotage of important defense installations and communications, and of bringing about key defections of defending units at a critical time.

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3. Nationalist Capabilities.

a. Ground Forces. The present strength of the Nationalist ground forces is approximately 370,000, of which 35,000 are service and miscellaneous troops. These troops are believed to be fairly well trained and equipped, and total some 40 divisions. The majority of these forces are infantry, but some 29,000 are in the armored force, and 9,000 in the artillery command. It is believed that there are approximately 400 light tanks in the armored command. Some 65,000 infantry troops are based on Quemoy Island, on the approaches to Amoy. The remainder are on Taiwan. Current plans call for a static perimeter defense of the island, with the armored force designated as the only component of the central mobile reserve. The entire island has been divided into the Northern, Central, Southern, and Eastern sectors, responsibility for which has been assigned to separate Army and Divisional units. In consequence, the defending forces have been thinly spread around the perimeter of the island.

b. Naval Force. The Chinese Nationalist Navy totals 35 active vessels of which 35 percent to 50 percent are inoperational at any one time due to overhaul and repairs. The largest of these are former Japanese destroyers. A comparatively large number of auxiliary vessels and smaller craft are also available for patrol operations.

Total personnel of the Nationalist Navy numbers approximately 40,000 some 9,000 being Marines. At present the Nationalist Navy is largely engaged in patrol of the Taiwan straits and in support of the Quemoy garrison. The Navy's greatest problem is improper maintenance and lack of spare parts. The state of training of Naval personnel is considered fair. Inefficiency and internal politics, however, plague the ranks of the senior line officers. Although there is a shortage of certain types of naval ammunition, fuel supplies apparently are adequate. There has been little evidence to date of Naval coordination with the other services in the island defense plan. Considerable defection of personnel as well as ships has taken place in the past, and the Navy is considered still to be fertile ground for Communist infiltration.

c. Airforce The Chinese Nationalist Airforce is composed of one heavy bomb group, two light bomb groups, four Fighter Groups, two Transport Groups, and one Photo Reconnaissance Squadron; all based on Taiwan. Of the total of 433 in tactical units 270 are combat aircraft, 91 light bombers, and 179 fighters. Of these about 60 percent are operational. Chinese Nationalist Airforce personnel totals approximately 80,000. The CNAP is operating from approximately 20 airfields throughout the island and is engaged primarily in limited reconnaissance.

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The CNAF suffers from poor maintenance and lack of spare parts. Five radar nets are reported in operation but are not believed of sufficient range to prevent a surprise air attack by the CCAP. No CNAF aircraft are equipped with radar search gear. Air ordnance and fuel supplies are sufficient for the present. Although there is ample anti-aircraft equipment on hand, AAA units lack adequate actual firing practice and fire control coordination.

While the morale of the CNAF is better than that of other services because of higher pay and better treatment, considerable defections have taken place in the past, and the CNAF does not permit a pilot to fly a mission over the mainland unless his family is on Taiwan.

d. Organization, Command, and Morale The present Nationalist high command continues to be divided and lacking in real interservice coordination. CHIANG Kai-shek is more than ever jealously guarding his control over his subordinates by playing one against the other, and the entire command structure without regard for professional competence, remains completely subservient to the personal political machinations of Chiang and his clique.

25X1 The morale of the troops and the confidence of civilian and military leaders has been adversely affected by the loss of Mainan and the Chou-shan Islands and by [redacted] rumors of ever-increasing Soviet aid to the Chinese Communists. Nationalist hopes appear to have been temporarily shattered by the US statement of 27 June 1950. There has developed, however, a growing antipathy to the US and a reliance upon US intervention as a face-saving device which transfers responsibility for the island's security against invasion. In addition, there has been a noticeable increase in open political intrigue and repressive activities on the part of the KMT leaders, with a resultant popular revulsion against the regime (particularly on the part of the native Taiwanese) and a general apathy over its future. Thus, should the Communist landings on Taiwan be effected despite US intervention, Nationalist morale could be expected to collapse even more rapidly than would have been the case before 27 June.

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4. Balance of Capabilities.

The numerical superiority of the Chinese Communist forces is not enough in itself to insure their success in an operation against Taiwan. The defending Nationalist forces are sufficiently strong in numbers and material to stage a successful defense, while the Nationalist Navy and Air Force are available for offshore operations. The Nationalists' apparent advantages, however, are offset by lack of a firm determination to fight, of reliability, both in command positions and in the ranks, and of professional competence particularly in the high command but also throughout the military structure.

The Communists have the advantage of the initiative. They may select the timing, and the points of landing and internal attack; their morale is high in consequence of a succession of victories, and their forces are loyal and well disciplined. In addition, the Communists have the capability, through the employment of many hundreds of junks and other craft, of saturating the Nationalist defenses. Aside from considerations of strength and effectiveness of US naval units that may be made available, it is therefore estimated that the Communists possess the capability of seizing Taiwan.

5. Communist Intentions and Indications Thereof.

Communist China is committed to the annexation of Taiwan. This commitment, which originally promised Taiwan's "liberation" in 1950. It was reiterated in MAO's speech of 6 June and again in CHOU En-lai's speech of 27 June and his message to the UN on 6 July, although these recent statements gave no explicit indication of timing. This theme has been repeated in more recent Chinese Communist propaganda.

So long as Taiwan remains out of Chinese Communist hands, Peking loses some political prestige, both at home and abroad. Although such considerations of "political face" probably are not sufficient in themselves to impel an immediate invasion attempt, for military reasons the Communists must attempt an invasion before the US is able further to strengthen its defensive screen of the island. From the standpoint of the People's Republic of China alone an abortive invasion attempt would be unacceptable, because the damage to the morale of the Chinese Communist Forces, particularly against a background of considerable unrest and economic difficulties on the mainland, would be a defeat which the Chinese Communists would not like to risk. It is less certain, however, that the USSR would be deterred, by this risk, from directing an invasion attempt.

Both Communist China and the USSR would gain by a successful Chinese Communist assault on Taiwan. It would (a) enable the Chinese Communists to fulfill their long-standing promise to "liberate" all of Nationalist China; (b) demonstrate world Communist power in the face of the announced US intention to prevent an invasion of Taiwan; (c) provide the USSR and Communist forces with a base from which to threaten the US military position in the Pacific further, and to defend the Chinese mainland in a world war;

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(d) probably lead to a prolonged military involvement of the US with Communist China, thereby creating a further drain on US resources; and (e) promote lack of confidence in US commitments and generally undermine US policy as well as the will of non-Communist countries throughout the world to resist Soviet aggression.

Since the Kremlin has permitted the northern Korean forces to become deeply involved with the US in military action directly against US forces it may be willing to permit the Chinese Communists to become similarly involved. Although an invasion of Taiwan, by enlarging the area of conflict between Communist and US forces, would increase the risk of a global war involving the USSR, such an invasion probably would encounter much less international opposition than would Chinese Communist military operations against Korea, Hong Kong, or Southeast Asia.

During the past 60 days there has been a considerable increase in troop movements in South and Southeast China. Such a regrouping of forces indicates the probable concentration of troops in assembly areas immediately adjacent and readily accessible to the East China coast. From these assembly points, major elements of the CCF can be rapidly moved (relatively free from observation) to numerous points of embarkation from which they can launch their assault on Taiwan. [REDACTED] accelerated purchase and movement to the Fukien coastal area of small boats and junks and of concentration of operational supplies, notably aviation gasoline.

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There are no indications that the US pronouncement of 27 June 1950 has caused the Chinese Communists to abandon these preparations. On the contrary, this pronouncement may have had the effect of speeding up the invasion time-table to make occupation of the island before the US can reinforce its Far Eastern position. The recent meeting, in Peiping about 10 July, of top Chinese Communist military leaders, notably including CHEN Yi and LIN Biao, may be evidence of a step-up in Communist plans.

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DEPARTMENT OF DEFENSE
WASHINGTON, HEADQUARTERS SERVICES
WASHINGTON, D.C. 20301

November 12, 1981

MEMORANDUM FOR THE CHIEF, CLASSIFICATION REVIEW DIVISION, CENTRAL INTELLIGENCE AGENCY

SUBJECT: Request for Declassification Review

During the systematic review of all classified Office of the Secretary of Defense (OSD) documents over 20 years old, the Declassification and Historical Research Branch, Records Management Division, Directorate for Correspondence and Directives, Washington Headquarters Services, turned up the attached document(s).

The documents were either originated by your agency, contain information for which your agency is the classification authority, or are otherwise of interest to you.

It is therefore requested that your agency review the documents and recommend declassification, continued classification at the present or lesser level of classification, and/or review by other agencies. If your agency is recommending continued classification, in accordance with Paragraph 3-401, Executive Order 12065, it is requested that an authority for continued classification be specified, along with a date for the next review.

The time permitted by Executive Order 12065 to reach the point where all OSD documents over 20 years old have been reviewed, and the large volume of over 20 year old OSD documents, make it necessary to request your response within 60 days. In your response, you may wish to provide guidance with regard to what categories of information you do and do not wish to have referred to you in the future.

Your assistance in effecting this review will be most appreciated. Please return the documents to Mr. Brian V. Kinney, Chief, Declassification and Historical Research Branch, Records Management Division, Washington Headquarters Services, Room 1D517, Pentagon, Washington, D.C. 20301, upon completion of your review.

Without attachments, this memorandum is UNCLASSIFIED.

E. E. Lowry Jr.
E. E. Lowry, Jr.
OSD Records Administrator

Attachments (3)

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LIST OF ATTACHMENTS

1. Report, 3 November 1948, Subj: Possible Developments in China, ORE 27-48 (S)
2. Report, 15 December 1948, Subj: Consequences of Expediting US Military Aid to China (S)
3. Memo No. 312, 26 July 1950, Subj: Prospects for an Early Successful Chinese Communist Attack on Taiwan (TS)